

## Message Text

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PAGE 01 VIENTI 06819 041040Z

12

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 FRB-03

INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 AGR-20 DRC-01 /112 W

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P R 040943Z SEP 74

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC PRIORITY 0646

INFO AMEMBASSY BANGKOK

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E.O. 11652: N/A

TAGS: ECON, LA

SUBJECT: WEEKLY ECONOMIC SITUATION REPORT (AUG 28-SEP 3, 1974)

1. TOTAL FOREIGN EXCHANGE SOLD THROUGH BANKS WEEK OF AUG 26 WAS \$478,000, WHICH IS 52 PERCENT WEEKLY AVERAGE FOR PERIOD JAN-JUNE 1974 AND APPROXIMATELY SAME LEVEL AS PREVIOUS TWO WEEKS. MAJOR USERS WERE FOOD 32 PERCENT, POL 18 PERCENT, RAL SALARIES 10 PERCENT, ANIMAL FEED 10 PERCENT, OTHERS 30 PERCENT.

2. PARALLEL MARKET RATES AT WHICH MONEY BROKERS AND OTHER DEALERS WILL BUY AND SELL FOREIGN EXCHANGE REMAIN UNCHANGED FROM LAST WEEK, I.E., BROKERS WILL BUY DOLLARS FOR APPROXIMATELY 1,120 KIP AND SELL FOR 1,150 KIP, BUY BAHT FOR 5,500 KIP AND SELL FOR 5,600 KIP. INDIVIDUALS WITHOUT FINANCIAL CONNECTIONS OR KNOWLEDGE OF PARALLEL MARKET OPERATIONS (E.G., SMALL VENDORS, FARMERS, LABORERS) STILL HAVE DIFFICULTY OBTAINING SIGNIFICANT AMOUNTS OF FX. HOWEVER, IT APPEARS THAT FOR THOSE WITH CONNECTIONS AND REGULAR FINANCIAL REQUIREMENTS FOR FX (IMPORTANT GOVERNMENT AND MILITARY OFFICIALS, BUSINESSMEN, IMPORTERS, ETC.) THAT PARALLEL MARKET BEGINNING TO LOOSEN UP AND LARGER AMOUNTS OF FX (POSSIBLY \$10,000-\$20,000) APPEAR TO BE CURRENTLY AVAILABLE TO INDIVIDUALS WHO SEVERAL WEEKS AGO WERE HAVING DIFFICULTY OBTAINING FX.

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PAGE 02 VIENTI 06819 041040Z

3. RICE INDEX REFLECTS AGRICULTURAL DEVELOPMENT ORGANIZATION/  
NATIONAL RICE OFFICE NOW SELLING ONLY HIGHER QUALITY (QT PER-  
CENT BROKEN) RICE AT 4 PERCENT PRICE INCREASE, STILL WELL (13  
PERCENT) BELOW COMMERCIAL 25 PERCENT BROKEN PRICE. NON-RICE  
INDEX PUSHED UP SHARPLY BY FISH, VEGETABLES, AND WHITE COTTON  
CLOTH. USAID COST-OF-LIVING INDEX ON SEPT 3 REFLECTED FOLLOW-  
ING CHANGES:

	PERCENT CHANGE SINCE		
	AUG 26	JULY 17	END 73
GENERAL INDEX	4.8	14.0	52.4
RICE INDEX	1.2	26.3	74.9
NON-RICE INDEX	6.0	10.7	46.7

4. THE SALE OF MILK AND SUGAR IMPORTED WITH FEOF-PROVIDED  
FOREIGN EXCHANGE HAS BEEN CONTROLLED BY PGNU SINCE AUG 20.  
MONTHLY PER CAPITA RATION IS 2 KILOS SUGAR AND 5 CANS MILK  
(14 OZ EACH). DIRECTORATE OF COMMERCE HAS 5 LOCATIONS FOR  
PROVIDING RATION CHITS TO INDIVIDUALS AND FOR MONITORING  
SALES VOLUMES AND PRICES. THERE APPEAR TO BE NO CONTROLS ON  
ANY ITEM CURRENTLY IMPORTED USING PARALLEL MARKET FOREIGN  
EXCHANGE, BUT PRICE CONTROLS CONTINUE ON OLD INVENTORIES.

5. DECONTROL FOLLOWING 9/4/75.  
WHITEHOUSE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, MARKETS, FOREIGN EXCHANGE HOLDINGS, PRICES, ECONOMIC DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974VIENTI06819  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740244-0787  
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**Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Authority:** shawdg  
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**TAGS:** ECON, LA  
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